

Update on the Finnish SME funding market & EU Funding Opportunities Business Tampere

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Well-Functioning Funding Market



What Has Recently Changed? – Public & Semi-Public Bodies in Finland

- **Ilmastorahasto Oy (climate fund)**
 - Investment strategy still unclear
 - Will operate under the Ministry of Economic Affairs and Employment (TEM)
 - Only direct investments to companies & funds
- **Oppiva Invest**
 - Operates under the Ministry of Education and Culture
 - Private equity investments to companies in the education industry
- **Finnvera**
 - Finnvera's quarantees (Fast Track, SME quarantee & start quarantee)
 - Finnvera loan published 14.9.2020
 - In co-operation with other funding partners
 - Meant for e.g. M&A activities
- **TESI (Teollisuussijoitus)**
 - New Venture Bridge programme:
 - 10% interest
 - 20% discount in the next emission
 - Stabilisation program for mid-sized companies (over 10M€)
 - 10% interest
 - 10% discount in the next emission
- **Business Finland**
 - Temporary RDI loan programme (corona crisis)
 - Easier loan terms in comparison to the regular RDI loan which are mainly aimed for exporting companies
 - The application period is extented until the end of November 2020
 - No other new grant programmes are open on top of the "regular"
- **Government cost compensation programme**
 - The new terms have yet to be published as it requires changes to the law but expected to be published mid-December 2020
 - Application process is estimated to start by the end of 2020

Väliaikaiset muutokset Ely-keskusten myöntämään kehittämisavustukseen

Valtioneuvosto on 15.10. antamallaan asetuksella mahdollistanut yrityksen kehittämisavustuksen myöntämisen ns. väliaikaisena valtiontukena, jonka yritysکوhtainen enimmäismäärä on 800 000 euroa (de minimis-rajoitteen ulkopuolella).

- ELY kehittämisavustusta voivat nyt väliaikaisesti saada myös sellaiset yritykset, joille avustusta ei aiemmin olisi ollut mahdollista myöntää normaaliajan EU:n valtiontukisääntelyn 200 000 € de minimis -kiintiön täyttymisen vuoksi
- Muutokset ovat väliaikaisia ja ne ovat voimassa 19.10.-31.12.2020
- Kyseessä ei ole uusi tukimuoto eikä yleistuki eli yrityksen kehittämisavustuksen myöntämisen edellytykset eivät ole muuttuneet
- Kehittämistoimenpiteisiin liittyviä palkka-, konsultointi-, matka-, messuosallistumis- ja vastaavia menoja voidaan tukea enintään 50 %:lla avustuksen perusteena olevista menoista
 - HUOM! Palkkakustannuksiin voidaan lukea kaikkien niiden työntekijöiden palkat, keiden työajasta valtaosa kuluu uuden kehitysprojektin työtehtävissä (palkkakatto koko projektitiimille 4500 €/kk Etelä-Suomen alueella, muualla Suomessa ”kohtuullistetaan”). Yli 10% yrityksen osakkeista omistavien henkilöiden palkkakustannuksia ei kuitenkaan voida huomioida.
- Pidämme tätä merkittävänä mahdollisuutena pk-yrityksille ja autamme tarvittaessa niin avustus- ja tukihakemuksien kuin muiden rahoitusprojektien kanssa. Tiimimme yhteystiedot löydät tämän esityksen lopusta.

Grannenfelt Financen uutiskirje

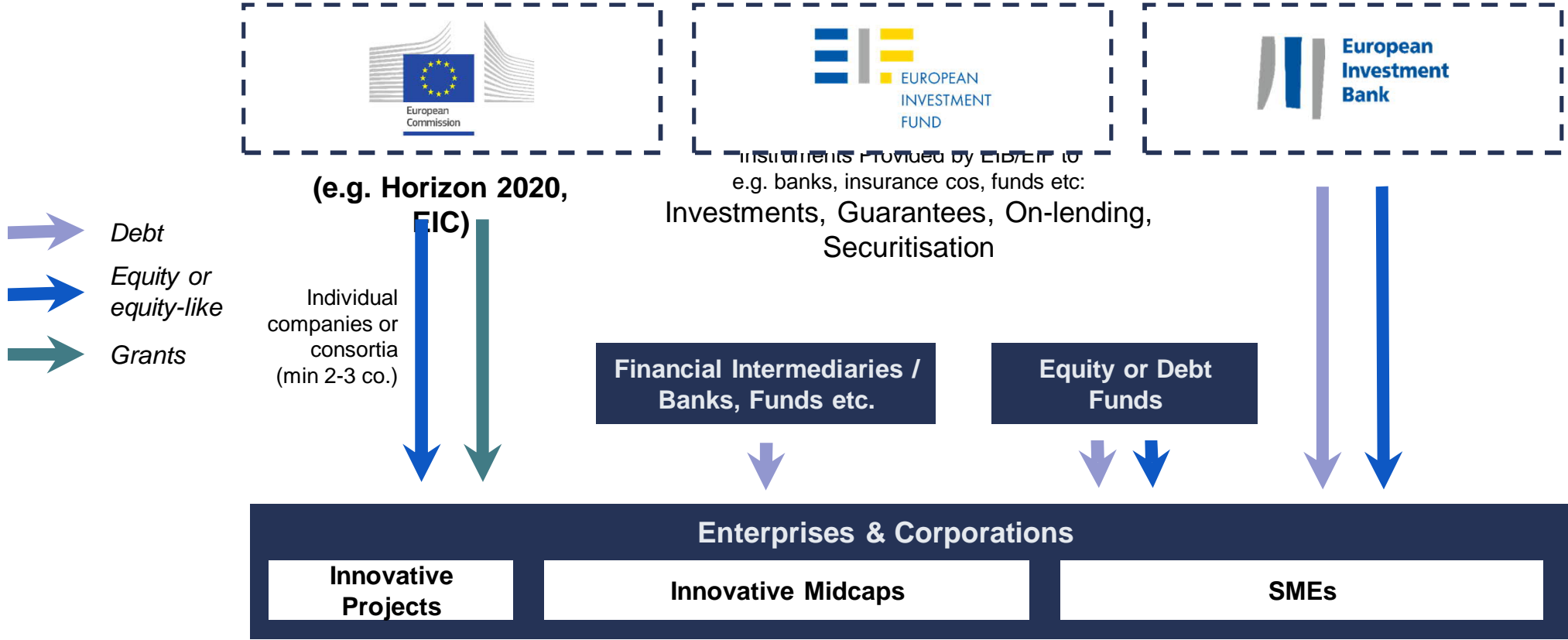
Rahoitusmarkkinoilla on viimeisen puolen vuoden aikana tapahtunut erityisen paljon muutoksia, jotka ovat ajoittain tulleet voimaan nopeallakin aikataululla. Oman yrityksen liiketoiminnan pyörittämisen lisäksi muutoksissa saattaa ajoittain olla vaikea pysyä ajan tasalla.

Grannenfelt Finance seuraa tiiviisti rahoitusmarkkinoiden kehitystä ja tiedottaa ajankohtaisista muutoksista asiakkailleen uutiskirjeen muodossa. Jos haluat jatkossa vastaanottaa uutiskirjeen, välitäthän meille sähköpostiosoitteenne osoitteeseen sanna.laine@grannenfeltfinance.fi tai info@grannenfeltfinance.fi.

EU Funding Possibilities

New funding season 2021-2027

Channels of EU Funding



EU Social, Digital & Green Deal Priority Areas 2021-27

The EU is looking to finance research & innovation projects targeting the following sectors & mission areas

2021-2027 - Focus to Strengthen

Growth Stage Investments (Scaleup VC + pre-IPO) and Green Deal themes
(in addition to R&D and Innovation funding as before)



Horizon Europe (2021-2027)

Mission areas

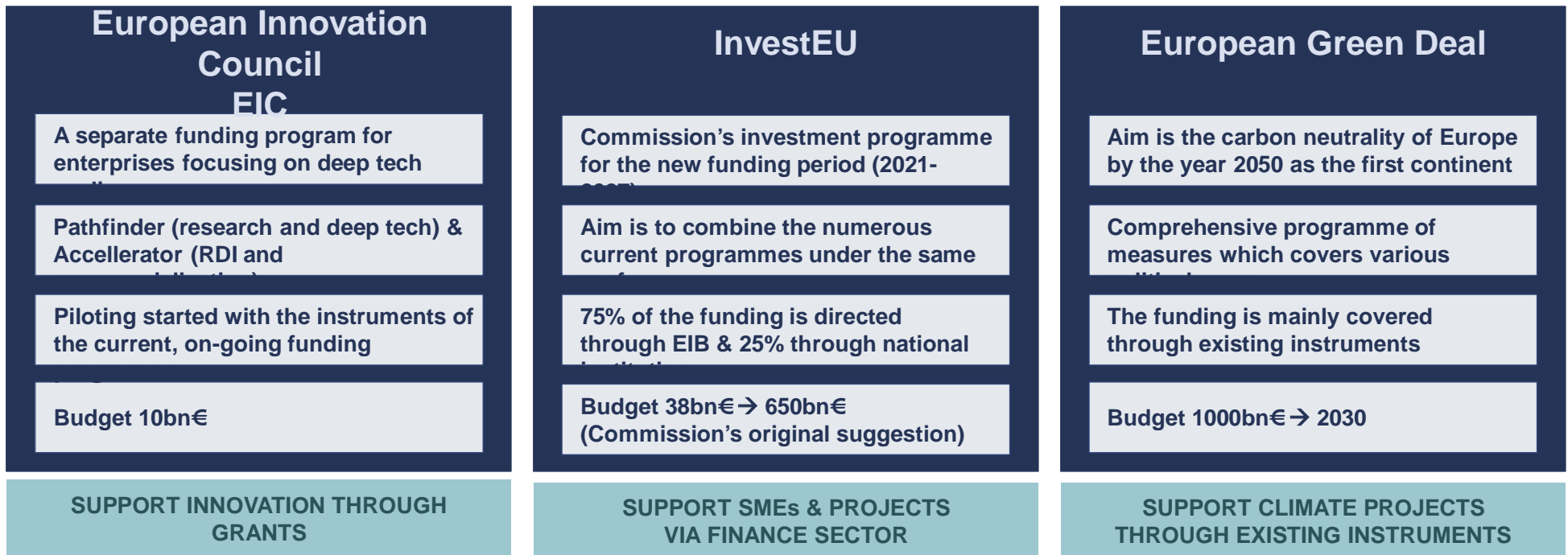
- Adaptation to climate change including societal transformation
- Cancer
- Climate-neutral and smart cities
- Healthy oceans, seas, coastal and inland waters
- Soil health and food

Global Challenges & European Industrial Competitiveness

Sectors

- Health
- Culture, creativity & inclusive society
- Civil security for society
- Digital, industry & space
- Climate, energy, mobility & green deal
- Food, bioeconomy, natural resources, agriculture & environment

Themes of the New EU Funding Framework



COVID19!

Path to Understanding EU Grant Process



0

EU Overview

- EU priority sectors
- EU mission areas

1

Development Idea

- What is the new innovation/development idea?
- Does it benefit EU?

2

Instrument/Theme

- What could be the most likely instrument for the development project?

3

Application/Project

- What does it take to prepare the application?
- What is a good project?
- What costs are eligible?

4

Reporting

- How do I receive the funding?
- What do I need to report?

5

Example cases

- What sort of projects have received the funding?

EU Finances Innovation & Development...

... that goes under EU missions and sectors



- What is your new innovation / development idea?
- How does it benefit EU?

A good innovation must include the below:

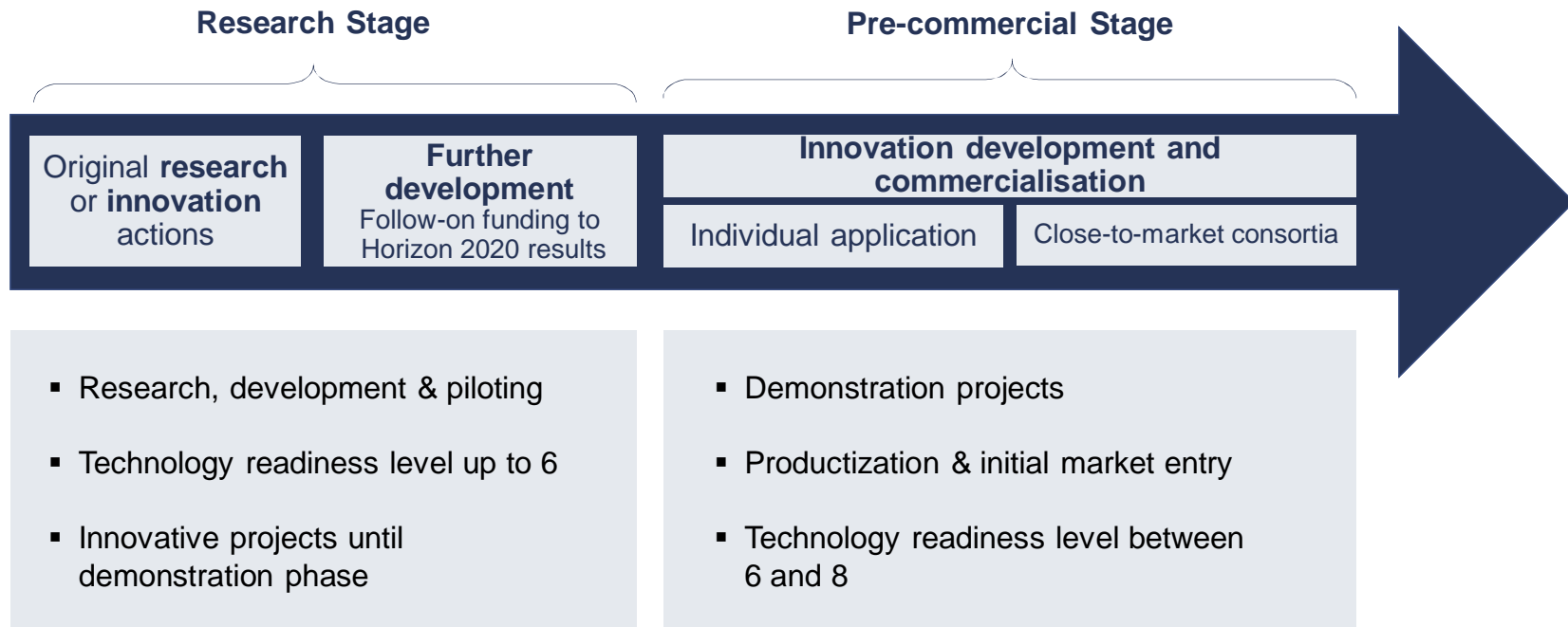
- Improves the competitiveness of Europe: improves employment, export & growth
- Fits within the set goals & focus sectors of EU
- Is disruptive: revolutionises the industry or creates a new one

Does the innovation need some of the below activities?

- New activities & development ideas
- Development of IPR & new ideas either independently or in co-operation
- Research & Experiments
- Networking that improves the goals of the project incl. Universities, research institutions (consortia) & other EU institutions
- Temporary & exclusive entities

Funding Available According to Technology Readiness Level

Instruments can be categorized into two stages: Research & Pre-commercial



How Do You Know Which Programme Suits You?

Thematic consortia & Horizon Europe

- Focus on research
- Value chain includes international partners / universities
- Aim is to find solutions for that fit the programme themes

Eurostars

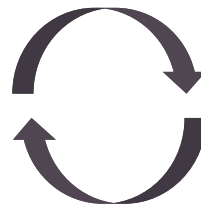
- Partner for R&D and international development

EIC Pathfinder & FTI consortia

- FTI – big commercial potential, consortium to help with a market entry process
- Pathfinder to deep tech

EIC Accelerator

- For innovative SMEs with big potential



Well-Made EU Grant Project

Companies Point of View

- Supports the companies strategic & important goal for the next 3-10 years = **Something you really want to do and achieve**
 - *Will be executed after the funding is granted!*
- **Correct timing** – the grant project will be started usually 4-6 months after the application is sent & can take over 2 years to complete!
- **Scope goals & execution** match the available resources
- Management, administration & risk control have been already **planned in the application phase**
- Gives measurable **results that can be easily published and utilised & proven in reporting**
- Doesn't blatantly contradict the needs of the reference groups
- Can be executed even if the funding doesn't cover the costs 100%
- **Can be integrated in the company's development strategy without risking the core business functions!**
- **The Application is assessed based on the project's:**
 - **Contribution to the goals of the funding programme** at hand, e.g. innovativeness or climatic effectiveness
 - **Quality of the project plan & companies' ability to execute & sustain the results of the project**

Example Cases

EIC Accelerator Individual Applicants

The EU will also finance close-to-market and scale-up innovations without pre-defined themes through the below programme for individual applicants

EIC Accelerator

- Offers support for commercially viable yet new, high-risk innovations with a high intellectual property component that will shape the industry or create a new market
 - 0.5-2.5 M€ grant, up to 70% of project costs
 - Used at the final development stages (TRL 6-8)
 - 70% of the grant amount is paid up-front

- Also a blended equity or quasi-equity component available for innovative scale-ups:
 - Up to 15 M€ (quasi-) equity
 - No restriction on equity use

Awarded Nordic applicants



Do you, your customer or a partner have development ideas?

Be in touch! We help you to identify the proper EU Funding possibilities

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Company brief

Grannenfelt Finance

Grannenfelt Finance in a nutshell

Key facts & figures



Founded in 2015

provides financial advisory and capital raising services in changing financial markets



Over 100
Transactions

carried out for Finnish and European clients



360 m€ capital raised

in equity and debt capital transactions for corporate clients



EU funding & guarantees

is one of our expertise areas. We are a leading EU funding advisor for corporates and institutions in the Nordics.



13+ people team

with over 100 years of experience from finance, industry, investments, re-structuring situations etc.

Why Grannenfelt Finance

We help the Client to reach an optimal capital structure, improve funding success rate, and save time and resources of the Client.

We differ from other financial advisors with our vast understanding of the changing capital markets and alternative financing opportunities.



We deliver
value for our
Clients
across our
areas of
expertise

- ✓ Experience from corporate finance transactions across industries and the company lifecycle
- ✓ An experienced team of specialized professionals
- ✓ International debt market and syndication expertise
- ✓ EU funding opportunities for companies and institutions

Our services

We support our clients on a vast range of financing related projects



Debt capital raising We have arranged debt capital of various forms and sizes, including from the European Investment Bank and private venture debt providers, commercial banks, and debt capital funds. We find the best funding combination for our Clients needs and growth ambitions.



Equity capital raising We have led or co-led equity capital rounds, raising funds from VC, PE and family office investors.



Debt restructuring advisory We have participated in debt restructuring projects e.g. re-organizing the loan portfolio of our Clients. We negotiate the best solution taking into consideration all stakeholders and the future of our Clients operations.



Working capital financing advisory We utilize various forms of alternative working capital financing, such as factoring or sale of trade receivables. We help our Clients in discovering to most feasible sources of financing and negotiate the best contract terms.



Grant funding & soft loans advisory We have carried out grant funding projects for multiple of our clients. We always aim to utilize the multiple sources for grant financing and soft loans to support the development and growth operations of our clients. We can additionally arrange bridge funding if needed.

What Our Clients are Saying



Grannenfelt Finance helped us by identifying suitable sources of debt financing and supported the project itself from start to finish. This way we were able to effectively implement a solution that was very well suited to the needs of the company.

Ville Hovatta
Yousician Oy
Finance Manager



Grannenfelt Finance provided us with invaluable insights on the Nordic debt capital markets. They guided us through the funding opportunities available to us within the market, assisted in structuring the financing to best suit our needs, and partnered with us in the negotiations from beginning until signing. This released valuable resources for our management team to focus on our core business.







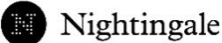



Caitlin Baltzer
Megin Oy
VP Strategy & Operations



Grannenfelt Finance as our financial advisor in a project of major importance lead the process with professional touch and provided us with valuable insights on alternative solutions. The arranged solution is optimal for our current growth stage and will help us thrive forward in our path.

Matti Nylander
Varjo Technologies
CFO

Selected References – Corporate Clients

 <p>Financial advisory</p> <p>2020</p>	 <p>Capital raising</p> <p>Undisclosed amount</p> <p>2020</p>	 <p>Capital raising</p> <p>EUR 12 million</p> <p>2019</p>	 <p>Capital raising</p> <p>Undisclosed amount</p> <p>2019</p>	 <p>Financial advisory</p> <p>2019</p>
 <p>Capital raising</p> <p>Undisclosed amount</p> <p>2019</p>	 <p>Capital raising</p> <p>EUR 20 million</p> <p>2019</p>	 <p>Capital raising</p> <p>Undisclosed amount</p> <p>2019</p>	 <p>Capital raising</p> <p>Undisclosed amount</p> <p>2019</p>	 <p>Capital raising</p> <p>Undisclosed amount</p> <p>2018</p>

Our team & contact details

Grannenfelt Finance has a team of 13 dedicated corporate finance professionals.



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